ESMA publishes report on highly liquid instruments

PUBLISHED MAY 19, 2022
BY EUROPA

The Report concludes that further work is to be done regarding the extension of the list of eligible financial instruments to certain public entities and potentially to covered bonds pending further research. ESMA will also pursue further work within the CCP Supervisory Committee to ensure a common supervisory approach regarding CCP investment practices.

ESMA was mandated to assess whether the scope of highly liquid financial instruments with minimal market and credit risk for CCP cash reinvestments should be extended and if such a list should include some or all Money Market Funds (MMF) authorised under the MMFR.

The report concludes that it would be premature to allow CCP investments in MMFs, as no category of MMFs currently meets all the conditions that define highly liquid financial instruments. The forthcoming review of the MMF Regulation is expected to assess possible changes to the regulatory framework that might make EU MMF adequate for CCP investments.

Next steps

The Report was sent to the European Commission (EC). ESMA will consider further work to potentially amend relevant sections of the RTS or other relevant level 3 measures.

Sarah Edwards

Communications Officer

Email: press@esma.europa.eu

Press release distributed by Wire Association on behalf of Europa, on May 19, 2022. For more information subscribe and follow us.

Media Assets

Embedded Media

Visit the online press release to interact with the embedded media.

https://wireassociation.eu/newsroom/europa/releases/en/esma-publishes-report-on-highly-liquid-instruments-300

Europa

Newsroom: https://wireassociation.eu/newsroom/europa
Website: https://europa.eu/
Primary Email: press@europa.eu

Social Media

Twitter - https://twitter.com/EU_commission
Facebook - https://www.facebook.com/EuropeanCommission
Instagram - https://www.instagram.com/europeancommission/
Linkedin - https://www.linkedin.com/company/european-commission